Budget for covering 8 lakh families. However, no State-wise allocations are made.

Spending on welfare of SCs and STs

†1541. SHRI AJAY MAROO: Wil the Minister of FINANCE be pleased to state:

(a) whether Government have issued any direction under which it would be mandatory for all Ministries to spend 22.5 per cent of the resources at their disposal on welfare of SCs and STs;

(b) if so, the reasons therefor; and

(c) if not, whether Government intend to consider any such proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) No such direction has been issued.

(c) Not all Budgetary outlays of different Ministries/Departments have a direct relationship with population profile. The percentage of Budget spent on welfare of SCs and STs, therefore, varies from Department to Department. Statement No. 21 of Expenditure Budget Vol. I Budget 2007-08 summarizes the budget provisions earmarked for welfare of SCs and STs. Para No. 33 and 34 of Budget Speech 2007-08 highlights the allocations for SCs/STs.

Withdrawal of tax exemptions

1542. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to withdraw exemption of taxes to prevent misuse; and

(b) if so, the details of such withdrawals of tax exemptions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Government reviews all exemptions and deductions from time to time. In the course of such periodic review, those exemptions that have outlived their utility or where the objective conditions

†Original notice of the question was received in Hindi.

have changed are withdrawn, while others are retained. The Government's policy is to broaden the tax base while moving towards moderate tax rates and reducing dispersal in rates. Review of exemptions, is however, an ongoing process carried out keeping in view the interests of all concerned.

(b) In this year's budget, 18 exemptions relating to indirect taxes have been withdrawn. As far as direct taxes are concerned, 2 exemptions are proposed to be wihdrawn/restricted through Finance Bill, 2007. The details of such withdrawal of tax exemptions are given in Statement.

Statement

Indirect Taxes Exemption withdrawn in 2007 Budget

A. Customs Duty:

I. Import Duty

1. Chemicals, for use in the manufacture of Centchroman;
2. Codeine phosphate or Nicotine, imported by Government alkaloid factories;
3. Recorded magnetic tapes for producing TV serials;
4. Specified goods like TV cameras (professional grade), audio recording equipment, tabletop desk production video machine, 8 channel video mixer/switches etc.;
5. Specified goods for manufacture of fly ash based goods;
6. Aircrafts.

II. Export Duty

7. Export duty on iron ores;
8. Export duty on chrome ores.

III. CVD/Excise duty

9. Cold-set high speed printing machines for newspapers;
10. Specified parts of set top boxes.

B. Excise Duty

(1) Chemicals reagents manufactured by the Hindustan Antibiotics Ltd. for use in manufacture of kits for testing narcotics drugs and psychotropic substances;

(2) Optical glass manufactured by the Centre Glass and Ceramic Research Institute, Calcutta for use by any Department of the Central Government;

(3) Goods like brooms, hand operated mechanical floor sweepers, mops, feather dusters, prepared knots and tufts of broom or brush; pain pads & rollers, squeezes etc.;

(4) Recorded video cassettes intended for television broadcasting, supplied in formats such as U-matic Betacam or any similar format;

(5) Nicotine polacrilex gum;

(6) Dust and power of synthetic stones;

(7) Aircrafts;

(8) Exemption for excise duty on pan masala containing tobacco and other tobacco products manufactured by specified units in the North East Region have been withdrawn.

Direct Taxes

Exemptions proposed to be withdrawn through Finance Bill, 2007

Section	Nature of Exemption	Remarks
1	2	3
10(23FB)	Income of venture capital funds or venture capital companies	Exemption proposed to be restricted to income from investments in venture capital undertakings engaged in the business of nanotechnology, information technology relating to hardware and software development, seed research and development, bio-technology, research and development of new chemical entities in the pharmaceutical sector, production of bio-fuels, or building and operating composite hotel-cum-convention centre with seating

1	2	3
		capacity of more than three thousand, or engaged in the dairy industry or poultry industry.
54EC	Exemption for long-term capital gains on transfer of certain capital assets	Exemption was restricted to investment in specified assets being any bond of National Highways Authority and Rural Electrification Corporation Ltd., redeemable after three years and issued on or after the 1st day of April, 2006. Further, *vide* notification dated 23.12.2006, a ceiling of Rs. 50 lakhs on the investment in such bonds by a person during financial year 2006-07 was provided. The condition of notification of the abovementioned bonds, provided by the Finance Act, 2006, is proposed to be dispensed with *vide* Finance Bill, 2007. Further, it has been proposed by the Finance Bill, 2007 to amend section 54EC so as to provide in the law itself that investment in such bonds on or after 1.4.2007 by a person during a financial year shall not exceed Rs. 50 lakhs.

Report of Sixth Pay Commission

1543. SHRI VARINDER SINGH BAJWA: Will the Minister of FINANCE be pleased to state:

(a) whether the Sixth Central Pay Commission has submitted any interim report;